

Government Accountability and Performance Improvement Summary of Recent Legislative Actions

Citizen Advisory Board for State Government Performance
July 6, 2006

Overview

Three laws and an initiative to the people were enacted in 2005 to expand the scope of activities aimed at improving government performance and accountability in Washington state. In addition, the state's 2005-07 operating budget was revised during the 2006 legislative session to respond to an inconsistency created by the enactment of Initiative 900.

This document summarizes the key provisions of each measure to help the Citizen Advisory Board (CAB) evaluate the need for legislation in the 2007 session to (1) clarify performance and accountability expectations for state agencies, and (2) address a discrepancy that remains between budgetary and statutory requirements.

House Bill 1064 (Government Accountability – Citizen Advisory Board)

- Creates the CAB and outlines membership and operating provisions.
- Directs the CAB and state Auditor to collaborate with the Joint Legislative Audit and Review Committee (JLARC) regarding performance audits.
- Directs the CAB and Auditor to develop a work plan for performance audits based on input from citizens, state employees, public officials and others. The CAB is to coordinate work plans with other “oversight and audit entities” to avoid duplication of effort.
- Authorizes state Auditor to contract out for performance audits and lists elements that may be included in the audits.
- Directs JLARC to contract with a private entity for a performance audit of the performance audit program and the CAB's responsibilities.
- Directs the Legislature to appropriate up to 2/100ths of 1 percent of the total state general-fund appropriation for performance audits, operation of the CAB, and other activities required by the bill.

Note: Governor Gregoire vetoed a section of HB 1064 because of funding considerations and the likelihood that it would duplicate efforts that would be more cost-effectively accomplished under House Bill 1970 (described below).

House Bill 1242 (Priorities of Government and Review of Agency Requests)

- Directs the governor to seek public involvement and input in developing statewide priorities to guide state agencies' preparation of biennial budget recommendations.
- Directs each agency to establish "quality and productivity objectives" for each major activity in its budget. Objectives are to address the statutory purpose of the program and to focus on data that would measure the agency's progress in achieving the statutory purpose and the statewide priorities.
- Calls for each agency to continually assess its performance and to review all major activities at least annually.
- Directs the Office of Financial Management to consider the extent to which agencies are demonstrating progress toward statewide budget priorities in evaluating their budget requests. Requires the governor's budget to identify activities that are not addressing statewide priorities.
- Calls for the biennial budget to describe performance indicators that demonstrate "measurable progress" toward POG results.

House Bill 1970 (Government Accountability)

- Requires each state agency, within available funding, to implement a "quality management, accountability and performance system" to improve service to the public. These systems are to be consistent with the Priorities of Government; engage citizens and stakeholders in improving services; include "clear, relevant and easy-to-understand" performance measures; and evaluate program effectiveness.
- Directs agencies to conduct annual assessments of these systems.
- Requires agencies whose directors are appointed by the governor to report on their performance at least quarterly.
- Directs the governor to report annually to the citizens on the performance of state agency programs, including progress toward POG goals and improvements in agency management and financial systems.
- Calls for agencies to integrate these efforts with other management, accountability and performance systems.
- By 2008, and every three years thereafter, each agency is to apply to the Washington State Quality Award (WSQA) or a similar organization for an independent assessment of its quality management, accountability and performance system.

Initiative 900 (Performance Audits of Governmental Entities)

- Authorizes the state Auditor to conduct “independent, comprehensive performance audits” of state and local governments in accordance with the U.S. General Accounting Office. Encourages the Auditor to “aggressively pursue” the largest, costliest government entities first. Does not include a role for the Citizen Advisory Board created under HB 1064.
- Applies to state and local governments, and transportation agencies and education institutions.
- Dedicates 1/100th of 1 percent of the state sales and use tax to fund comprehensive performance audits.
- Requires that audits identify or analyze possible cost savings; services that can be reduced, eliminated or transferred to the private sector; program gaps or overlaps; feasibility of pooling information technology systems; agencies’ roles and functions; possible statutory or regulatory changes; performance data; and best practices.
- Requires the Legislature to conduct public hearings on all completed audits.
- Directs JLARC to report annually on the Legislature’s implementation of the state Auditor’s recommendations.
- Forbids any legislative body, office holder or employee from impeding or restricting the auditor in conducting independent, comprehensive performance audits.

2006 Supplemental Budget (Funding and Support for Citizen Advisory Board)

- The 2006 supplemental budget shifts funding and staff support for the CAB from the state Auditor to the Governor, but policy legislation to incorporate that arrangement in state law was not enacted. As a result, the budget reflects a different operating environment for the CAB than was described in HB 1064.